



Electric Utility Commission

Annual Internal Review

This report covers the time period of 1/1/2014 to 12/31/2014

The Board/Commission mission statement (per the City Code) is:

- (A) The commission shall review and analyze all policies and procedures of the electric utility, including the electric rate structure, fuel costs and charges, customer services, capital investments, new generation facilities, selection of types of fuel, budget, strategic planning, regulatory compliance, billing procedures, and the transfer of electric utility revenues from the utility fund to the general fund.
- (B) The commission shall advise the city council, the city manager, the electric utility, city departments, and city boards, commissions, and committees on policy matters relating to the electric utility. All advisory information given shall simultaneously be forwarded to the city manager.
- (C) The commission may review, study, and make recommendations to the Planning Commission on proposed electric utility projects for inclusion in the Capital Improvements Program.
- (D) The commission may request that the city council hire an outside consultant every five years to make a comprehensive review of the policies and procedures of the electric utility. The commission may initiate an external or internal review of the policies and procedures of the electric utility. If the commission initiates a review, it shall report its findings to the city council and the city manager.
- (E) The commission shall interpret the role of the electric utility to the public and the role of the public to the electric utility. The commission may hold a public hearing and briefing session every six months to explain new policies and to take citizens comments, suggestions, and complaints.
- (F) The commission may make recommendations to the city council before final council action on a policy or procedure of the electric utility.
- (G) The commission shall request from the city manager any information which it deems to pertain to the electric utility.
- (H) The commission shall, as a body, review customer complaint procedures, accept specific customer grievances and complaints, and make recommendations to the city council and city manager based on its findings. This duty does not supersede, replace, or substitute for the appeal procedures provided to customers in the City Utility Service Regulations.
- (I) The commission shall seek to promote close cooperation between the city council, other city boards, committees, and commissions, city departments and individuals, institutions and agencies concerned with the policies, procedures, and operations of the electric utility to the end that all similar activities within the City may be coordinated to secure the greatest public welfare.

1. Describe the board's actions supporting their mission during the previous calendar year. Address all elements of the board's mission statement as provided in the relevant sections of the City Code. *(Reference all reports, recommendations, letters or resolutions presented to the City Council on mission-specific issues. If some of the elements of the mission statement were not acted on by the board in the past year, the report should explain why no action was taken.)*

The EUC reviewed and analyzed the following policies and procedures of Austin Energy during the reporting period:

Reviewed, discussed, and solicited public comments for 164 Requests for Council Action (RCA's) in 2014 and made recommendations to the City Council regarding those requests.

Received and discussed 26 Austin Energy staff briefings on subjects including AE's EV program, Customer payments arrangements, Quarterly reports, Five year forecast, Value of solar methodology, Relicensing process for STP, Semi annual report on multifamily rebates, 2015 Budget, Value of solar calculation, updates from the Generation Task Force, Boards and Commissioners Transition Task Force, Arrearage Management, the Green Choice program, Comparative Analysis of Green Choice programs, EPAs proposed rules on carbon, the PSA, Fuel adjustment for contract customers, Independent review of generation plan, (gap study), the Pace Program, and Fourth quarter and Year End report.

Proposed and discussed resolutions to be forwarded to Council and the City Manager on such topics as Risk Management for transactions of natural gas, wholesale electric power, related brokerage and credit agreements, and purchases of ERCOT congestion revenue rights, Changes to the Residential Solar tariff, Demand charges for small commercial customers, Reductions of transfers to the Economic Development department, and approved the 2015 Budget subject to such reductions.

Held a Special Joint Meeting of the Electric Utility Commission and the Resource Management Commission regarding the update of the Resource, Generation, and Climate Protection Plan to 2020.

In 2014, no electric utility capital projects were proposed which needed to be sent to the Planning Commission for inclusion in the Capital Improvements Program.

The EUC did not request that the City Council hire an outside consultant to make a comprehensive review of the policies and procedures of Austin Energy in 2014. This is not a mandatory annual requirement of the EUC and an extensive review of Austin Energy was done in 2011 as part of the Rate Review process. A comprehensive review of the utility would cost several million dollars.

In August, upon the resignation of Mr. Bernfield, the EUC elected Michael Osborne as Chair and reelected him in November. In September, Vice Chair Hadden was named to the Low Income Consumer Advisory Task Force. In November, Commissioner Shaw was honored with a distinguished service award.

2. Determine if the board's actions throughout the year comply with the mission statement.

The actions of the EUC complied with the mission statement (bylaws) as outlined in the Ordinance throughout 2014.

3. List the board's goals and objectives for the new calendar year. *(Make sure the goals and objectives fall within the mission statement of the board/commission.)*

Encourage public discussion on the future policies and programs of Austin Energy

Provide public oversight of Austin Energy's annual budget and efforts to reduce costs and provide clean, reliable power

Provide public oversight over long term planning regarding electric rates

Review and provide public input and oversight over Austin Energy's compliance with the Austin Climate Protection Plan, including how actions and proposed actions of the utility impact climate change, sustainability goals and water usage.

Provide oversight and guidance regarding the revised Generation, Resource and Climate Protection Plan including oversight of the gap study and the 600 MW solar RFP.

Provide review for replacement of power from aging baseload and peaking assets that is consistent with the Council adopted plan.